

FAQs

DMHC Rescission Settlements

The California Department of Managed Health Care has reached agreements with Blue Shield, Anthem Blue Cross, Kaiser, Health Net, and PacifiCare requiring them to offer health care coverage to former members whose policies they rescinded or cancelled over the past four years, regardless of the former member's health condition. California is the first state in the nation to bring consumers this groundbreaking opportunity to regain health care coverage and reimbursement for medical expenses incurred during the time that a consumer was uninsured.

Information about how former members can take advantage of this program are now being mailed to the approximately 3,400 eligible Californians. These "Notice Packets" contain information about two parts of the settlement, Part A and Part B.

Part A explains how former members can regain health coverage. It contains an Offer of Coverage from the health plan that explains how the health plan's rescinded or cancelled members can now purchase an individual policy that is similar to the rescinded or cancelled policy. The health plan can not review or consider the buyer's health records to deny coverage. The buyer has 90 days to accept this Offer of Coverage.

Part B describes how former members can seek reimbursement for any medical expenses they had to pay while they were uninsured that should have been paid by the health plan. It provides an Expedited Review Process for resolving financial disputes with the health plan, such as payment for the medical expenses incurred after the policy was rescinded or cancelled. Rescinded or cancelled members have 90 days to complete the Interest Form and mail it to the health plan to obtain detailed information.

I was rescinded, but didn't receive a Notice Packet. What do I do now?

Call the DMHC's HMO Help Center at 1-888-466-2219 to see if you qualify.

The Notice says that I am eligible for "guaranteed issue of health coverage." What does that mean?

Guaranteed issue of coverage means that a health plan has agreed to offer former members health coverage regardless of current or past health status. Former members eligible for these offers of coverage will automatically be accepted for coverage. This concept is one that Governor Schwarzenegger has included in his health care reform proposals to enable all Californians to get health coverage, regardless of health status.

Will my family also be covered?

The DMHC Settlement Agreements are for rescinded members only. If your rescinded coverage was a family plan and the entire family was rescinded, your family may be eligible for coverage, depending on the terms of the plan. You will need to discuss directly with your health plan.

My Notice says I am a Specified Former Enrollee. What does this mean?

This means that you are entitled to reimbursement for Out-Of-Pocket Medical Expenses when you provide documentation of your expenses to your health plan, without regard to whether the rescission was appropriate.

Once I re-purchase an individual health care policy from my health plan, will I be able to keep it, even if I develop a serious illness?

As long as you meet coverage requirements, such as paying your premiums on time, and do not violate the law in your usage of the coverage, you can remain a health plan member until you become eligible for Medicare.

How much time do I have to accept this Offer of Coverage?

You have 90 days from the date that the Notice Packet was delivered to your address to submit your completed application to the health plan in the pre-paid envelope included in the Notice Packet. Some plans also require the first month's premium to be included with your application. Check your Notice Packet carefully to see what your health plan requires.

When will my new health coverage start?

Coverage will begin on the first day of the month following the health plan's receipt of your completed application and in some cases, also the first month's premium. Check your Notice Packet carefully to be sure that you have included everything your health plan requires.

If I decline the Offer of Coverage in Part A, can I still participate in Part B to resolve my claims?

Yes. If you want to decline the Offer of Coverage, you can still participate in Part B to resolve any potential medical claims/expenses you incurred as a result of your policy rescission/cancellation.

How do I resolve my claims through the Part B Expedited Review Process?

You must complete the Interest Form and mail it to your health plan within 90 days, using the pre-paid envelope that you received in your Notice Packet. The health plan will then send additional information explaining various options for resolving your claims, which include resolving them directly with the health plan, or having an independent arbitrator determine whether you are entitled to damages. You will also receive information telling you how to submit your bills for your Out-of-Pocket Medical Expenses or claims. If you do not receive your materials within 15 days from the date you mailed back your Interest Form, you should call the Department of Managed Health Care at 1-888-466-2219, or your health plan. You will be given additional time to review this information after you receive it, and to choose whether to participate.

If I don't participate in the Part B Expedited Review Process, how can I have my claims resolved?

You are free to pursue private litigation rather than participate in the expedited review options. You may want to consult an attorney regarding your legal rights.

If I participate in the Part B Expedited Review Process, can I still sue privately?

Your legal rights may be affected if you participate in the Part B process and accept compensation for your medical expenses or other claims. You may, however, accept the Part A Offer of Coverage without affecting your legal rights. The decision to participate in the DMHC Rescission Settlements is yours alone. Please consult your attorney regarding your legal rights.

I am a member of a class action suit against my health plan. Should I participate in the DMHC Rescission Settlement?

You should discuss this with your attorney to determine whether the DMHC Rescission Settlement or the class action suits would yield the best results for you. The DMHC Rescission Settlement will enable you to purchase health coverage immediately, regardless of the state of your health, and this can be accepted even if you are a class member. It will also offer you the chance to obtain reimbursement for medical claims/expenses you incurred as a result of the rescission or cancellation. The DMHC does not have any information at this time about the details of the class action suits.

May I use an attorney to help prepare and submit documentation of my medical expenses or participate in the Expedited Review Process?

Yes, you may use an attorney if you wish, but you are not required to do so.

What if I still have questions?

- You can call your health plan:
 - Health Net – Renew Program Assistance Line, at 1-818-676-8609
 - Kaiser – Fresh Start Program Assistance Line, at 1-866-525-0603
 - PacifiCare – 1-920-661-3066
 - Anthem Blue Cross – Reinstatement Program Assistance Line, at 1-800-333-0912.
 - Blue Shield -- Re-Enrollment Program Assistance Line, at 1-888-575-3439.
- You can call the DMHC's Help Center at 1-888-466-2219.
- You can read the settlement agreements between the health plans and the DMHC at http://www.dmhc.ca.gov/healthplans/enf/enf_notew.aspx.